

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of The Dayton	)	
Power and Light Company for Approval of a	)	Case No. 14-2043-EL-UNC
Revised Bill Format for Electric Service	)	
	)	
In the Matter of the Application of the Dayton	)	
Power and Light Company for Approval of	)	Case No. 14-2042-EL-AAM
Certain Accounting Authority	)	

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**APPLICATION OF THE DAYTON POWER & LIGHT COMPANY  
FOR REHEARING OF THE FINDING AND ORDER IN THE MATTER OF THE  
APPLICATION OF THE DAYTON POWER AND LIGHT COMPANY FOR  
APPROVAL OF A REVISED BILL FORMAT  
FOR ELECTRIC SERVICE  
AND FOR APPROVAL OF CERTAIN ACCOUNTING AUTHORITY**

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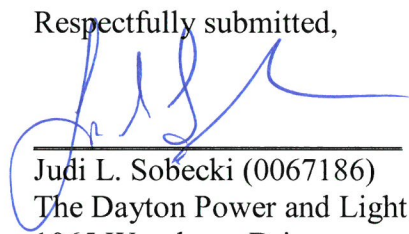
Pursuant to Ohio Revised Code §4903.10 and Ohio Administrative Code §4901-1-35, The Dayton Power and Light Company (“DP&L” or “Company”) applies to the Public Utilities Commission of Ohio (“Commission” or “PUCO”) for rehearing of its Finding and Order issued April 8, 2015, approving DP&L’s revised bill format and granting DP&L the authority to defer expenses, including carrying charges not to exceed \$500,000. DP&L is an electric utility as defined in Ohio Revised Code §4928.01(A)(11) and will be impacted by the directives set within this Finding and Order. The Commission’s Order setting a “not to exceed” \$500,000 cost cap on the approved deferral is unreasonable for the following reasons:

- I. The deferral cost cap threshold was established based on a good-faith estimate of approximate costs provided by DP&L at the time of the filing, and imposition of the cap will prevent DP&L from recovering prudently incurred costs associated with the new bill format.

- II. There is a standard prudence review conducted by PUCO Staff and the Commission before any deferred costs are recovered through customers.

Based on the above and for the reasons more fully discussed in the attached Memorandum in Support, DP&L respectfully seeks rehearing of the directives set forth in the Commission's Finding and Order in this matter.

Respectfully submitted,



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**MEMORANDUM IN SUPPORT OF THE APPLICATION FOR HEARING OF THE  
DAYTON POWER AND LIGHT COMPANY**

In its Finding and Order in the present proceeding, the Commission has ordered DP&L to comply with directives that impose unreasonable requirements upon electric distribution utilities. DP&L seeks rehearing of the directives for the reasons set forth below.

**I. The deferral cost cap threshold was established based on a good-faith estimate of approximate costs provided by DP&L at the time of the filing, and imposition of the cap will prevent DP&L from recovering prudently incurred costs associated with the new bill format.**

In its initial Application in this matter dated November 21, 2014, DP&L asserts: “Pursuant to finding 19 of the Entry on Rehearing [Case No. 12-3151-EL-COI], DP&L is seeking approval to defer expenses related to the bill format changes. DP&L *estimates* these expenses to be *approximately* \$500,000.” As stated, the dollar amount provided was an estimate based on the known circumstances at the time of the filing. Since that time, there have been slight additions/revisions to the formats that were initially filed based on discussions with PUCO Staff. Indeed, as DP&L has begun its implementation of changes to its billing system since providing that estimate, its current estimate slightly exceeds the \$500,000. As a result, if the cap on the deferral remains in place, DP&L will not be permitted to recover prudently incurred costs associated with these changes.

Moreover, final rules associated with S.B. 310 energy efficiency and renewable on-bill cost of compliance information are still unknown at this time. DP&L points out in its initial Application (at 5) that, “In order to minimize administrative costs associated with complying with the Findings and Orders in Case Nos. 12-3151-EL-ORD and 14-1411-EL-ORD, the Company intends to make one bill format change to incorporate changes mandated in both proceedings.” The assumptions included in the \$500,000 estimate provided by DP&L for S.B.

310 compliance at the time of the initial Application in this case were centered on PUCO Staff's proposed rule changes in Case No. 14-1411-EL-ORD. Subsequently, there has been an order approving Staff's proposed rules, and a second order granting rehearing for further consideration in that case. The final outcome of that case has an effect on the cost of this project and should not be limited by the deferral cap of \$500,000 ordered by the Commission in this case.

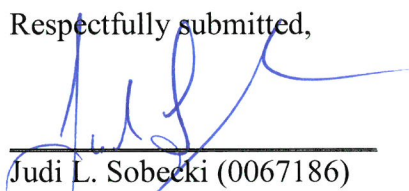
**II. There is a standard prudence review conducted by PUCO Staff and the Commission before any deferred costs are recovered through customers.**

The PUCO Staff in its recommendation (§ 6) and the Commission in its Finding and Order (at 8) in this matter went as far as to emphasize that "...recovery is not guaranteed for all costs...therefore, the determination of the reasonableness of the deferred amounts and the recovery thereof will be examined and addressed in a future proceeding before the Commission." DP&L's initial filing was for the approval of certain accounting authority to defer the operating and maintenance expenses associated with the project, not for the recovery of dollars from customers at this time. As previously stated, DP&L filed for a deferral of costs pursuant to the Entry on Rehearing in Case No. 12-3151-EL-COI that encourages the EDUs to file for the deferral of costs associated with their respective bill format applications, with recovery of such costs to be included in the Company's next distribution rate case. DP&L was cognizant of the fact that it would be required to seek approval for recovery of deferred costs at a future date, at which time the actual costs incurred for the project would be subject to a standard prudence review. If there are any costs that the Commission finds were imprudently incurred, then those costs would be disallowed by the Commission. This standard prudence review at the time DP&L seeks recovery of the actual costs renders a cap on the deferral of unnecessary, as the Commission retains oversight into prudence of the overall expenditures.

## CONCLUSION

Based on the above, the Commission should grant DP&L's request for rehearing and remove any reference to a cap on the authorized deferral.

Respectfully submitted,



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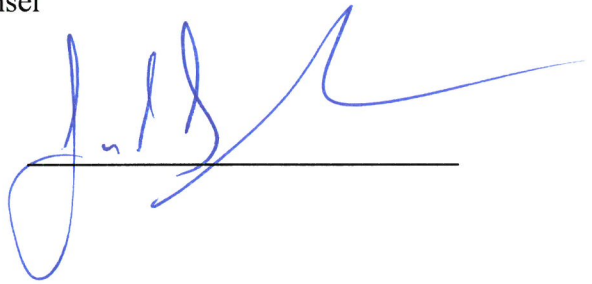
Attorney for the Dayton Power and Light Company

**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing has been served via electronic mail upon the following counsel of record, this 8<sup>th</sup> day of May, 2015:

Joseph Serio, Counsel of Record  
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Attorneys for Office of the Ohio Consumers' Counsel

A handwritten signature in blue ink is written over a horizontal black line. The signature is stylized and appears to be 'J. Serio'.

**This foregoing document was electronically filed with the Public Utilities**

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**Case No(s). 14-2042-EL-AAM, 14-2043-EL-UNC**

Summary: Application for Rehearing and memorandum in support of the Dayton Power and Light Company electronically filed by Mr. Tyler A. Teuscher on behalf of The Dayton Power and Light Company